



DEPARTMENT OF TRANSPORTATION

Federal Transit Administration

Pilot Program for Expedited Project Delivery

AGENCY: Federal Transit Administration, DOT.

ACTION: Notice; Request for expressions of interest to participate.

SUMMARY: The Federal Transit Administration (FTA) is soliciting expressions of interest for the Expedited Project Delivery Pilot Program (Pilot Program) authorized by the Fixing America's Surface Transportation Act (FAST). The Pilot Program is aimed at expediting delivery of new fixed guideway capital projects, small starts projects, or core capacity improvement projects that utilize public-private partnerships, are planned to be operated and maintained by employees of an existing public transportation provider, and have a Federal share not exceeding 25 percent of the project cost. It is also aimed at increasing innovation, improving efficiency and timeliness of project implementation, and encouraging new revenue streams. The law specifies that not more than eight projects can be awarded grants under the Pilot Program. FTA intends to work with selected project sponsors to further define the steps that must be completed before a construction grant can be awarded under the Pilot Program, including expedited FTA reviews of technical capacity, local financial commitment, and project justification. This announcement is available on the FTA's Web site at: www.transit.dot.gov/funding/grants/expedited-project-delivery-capital-investment-grants-pilot-3005b.

DATES: Expressions of interest to become one of the participants in the Pilot Program for Expedited Project Delivery must be submitted to FTA by mail, email or facsimile by

11:59 p.m. EDT **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

ADDRESSES: Mail submission must be addressed to the Office of Planning and Environment, Federal Transit Administration, 1200 New Jersey Avenue, SE, Room E45-119, Washington, DC 20590 and postmarked no later THAN **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**. Email submissions must be sent to ExpeditedProjectDelivery@dot.gov by 11:59 p.m. EDT on **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**. Facsimile submissions must be submitted to the attention of Expedited Project Delivery Pilot Program at 202-493-2478 by 11:59 p.m. EDT ON **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**. If there are insufficient candidate projects that FTA determines meet the requirements of the Pilot Program, FTA may conduct additional requests for expressions of interest in the future.

FOR FURTHER INFORMATION CONTACT: Susan Eddy, FTA Office of Planning and Environment, telephone (202) 366-5499 or email Susan.Eddy@dot.gov.

SUPPLEMENTARY INFORMATION:

1. Background

FTA, together with its transit industry partners, invests billions of dollars in capital projects designed to improve public transportation by reinvesting in existing assets to expand capacity or by increasing the extent and quality of public transportation service by making new investments. These projects take considerable time to plan, develop, design, approve, and deploy. While it is important for FTA to ensure that it selects only

well-conceived projects that are implemented in the most efficient and effective manner, a lengthy process delays the delivery of the intended benefits to the riding public.

2. Pilot Program

Section 3005(b) of the FAST Act, P.L. 114-94 (December 4, 2015), authorizes the Pilot Program for FTA to make not more than eight grants for new fixed guideway capital projects, small starts projects, or core capacity improvement projects that have not yet entered a construction grant agreement with the FTA. The law defines these types of eligible projects for the Pilot Program in a manner similar to, but not entirely the same as, the CIG program. Thus, FTA encourages project sponsors to review closely the definitions found in Section 3005(b) to ensure the project's eligibility.

Eligible applicants to the Pilot Program are state or local government authorities.

Proposed projects must utilize public-private partnerships; be operated and maintained by employees of an existing provider of fixed guideway or bus rapid transit public transportation in the service area of the project, or if none exists, by employees of an existing public transportation provider in the service area; and have a Federal share not exceeding 25 percent of the net capital project cost. Project sponsors also must have financial advisors providing guidance to them on the terms and structure of the project that are independent from investors in the project. Sponsors must further certify that the existing public transportation system is in a state of good repair as defined by law. (See P.L. 114-94, 129 STAT. 1458; 49 U.S.C. §5302; 49 U.S.C. §5326(b)(1); 49 CFR 625.5.)

The Pilot Program requires FTA to use an expedited technical capacity review process for sponsors that have recently and successfully completed at least one new fixed guideway capital project, small start project, or core capacity improvement project, if the sponsor

achieved budget, cost, and ridership outcomes for the project that are consistent with or better than projections and the applicant demonstrates that it continues to have staff expertise and other resources to implement a new project.

While not all of the following are required with the expression of interest submission, project sponsors should understand that prior to being considered for a grant agreement, Section 3005(b) requires that project sponsors requesting a construction grant under the Pilot Program must meet all requirements of Section 3005(B) and submit: (1) information identifying the proposed eligible project; (2) a schedule and finance plan for the construction and operation of the project; (3) an analysis of the efficiencies of the proposed eligible project development and delivery methods and innovative financing arrangement for the eligible project. This submission must include documents related to the public-private partnership and justification of the project based on mobility improvements attributable to the project; environmental benefits associated with the project; congestion relief associated with the project; economic development effects derived as a result of the project; and estimated ridership projections; (4) a certification that the project sponsor's existing public transportation system is in a state of good repair, or, in the event that the applicant does not operate a public transportation system, the public transportation system to which the proposed project will be attached, is in a state of good repair. Alternatively, with respect to the state of good repair certification, for core capacity improvement projects, a sponsor may include a description of how the eligible project will allow it to make substantial progress in achieving a state of good repair. FTA may not award a construction grant agreement until after the project sponsor has completed necessary planning and activities required under the National Environmental Policy Act, 42 U.S.C. 4321, et seq., and the recipient has demonstrated

the necessary legal, technical, and financial capacity to successfully complete the project. Project sponsors must also demonstrate an acceptable degree of local financial commitment and show evidence of stable and dependable financing sources. Part of FTA's consideration includes, but is not limited to, an analysis of the private contributions, management of the transfer of project risk, financial partnering, and other strategies included in the public-private partnership.

The law also requires participants in the program to develop a Before and After Study Report that describes and analyzes the impacts of the project on public transportation services and ridership, describes and analyzes the consistency of predicted and actual benefits and costs of the innovative project development and delivery or innovative financing, and identifies reasons for any differences between the predicted and actual outcomes. The law requires the project sponsor to submit the Before and After Study Report to FTA not later than two years after the initiation of revenue service of the project.

All projects that receive a grant through the Pilot Program are expected to be constructed and enter revenue service. Therefore, Section 3005(b) specifies that a sponsor must repay all Federal funds plus interest and penalty charges if the project is not completed. This provision is intended to ensure that all Federal interest is protected if a public-private partnership fails to deliver a project.

At present, \$5 million has been appropriated by Congress in Fiscal Year 2016 and \$20 million in Fiscal Year 2017 for the Pilot Program. The FY 2018 Consolidated Appropriations Act did not provide funding for the Pilot Program; and the President's FY 2019 budget proposal to Congress did not recommend any funding for the Pilot Program.

If selected for the Pilot Program, project sponsors will be invited to propose alternative ways that FTA might satisfy the requirements established by law for Pilot projects. For example, FTA expects that it will be necessary to establish the cost, scope, and schedule for Pilot projects to a reasonable level of confidence, which could be accomplished in a number of ways, in particular to address the requirement in law for an expedited technical capacity review process for sponsors with successful past performance. Project sponsors selected for the Pilot Program may suggest alternate approaches to any aspect of the statutory evaluation process that the sponsor believes will save time and effort, while still assuring compliance with the Pilot Program requirements outlined in law. FTA is particularly interested in receiving expressions of interest from project sponsors who are considering pursuing Value Capture techniques as part of their innovative project financing arrangements.

3. Expression of Interest Submission Process

Project sponsors must submit the required information by mail, email or facsimile by 11:59 p.m. EDT [**INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER**], as specified in the DATES section of this Notice above. FTA reserves the right to request additional clarifying information from any and all project sponsors before making a selection to participate in the Pilot Program.

Project sponsors wishing to participate in the Pilot Program must submit an expression of interest to FTA no longer than 10 pages in length including any supporting documentation. While there is no specific format that must be followed for the expression of interest, the narrative provided by the project sponsor to FTA should include the following information:

- a. A description of the proposed project that provides sufficient information to demonstrate its eligibility as a new fixed guideway capital project, small starts project, or core capacity improvement project as defined in Section 3005(b);
- b. The proposed project schedule and an outline of the proposed financing plan for the project, including the total amount of Federal funding being sought;
- c. A description of the public-private partnership included in the project;
- d. A description of the advisors providing guidance to the project sponsor on the terms and structure of the project that are independent from investors in the project;
- e. How the project sponsor intends to analyze the predicted and actual benefits and costs of the innovative project development and delivery methods or innovative financing for the eligible project in order to complete the Before and After Study required by Section 3005(b);
- f. A certification that the project sponsor's existing public transportation system is in a state of good repair, or for core capacity improvement projects, a description of how the eligible project includes elements designed to aid the existing fixed guideway system in making substantial progress towards achieving a state of good repair;
- g. Documentation that the project has completed the steps required by the Metropolitan Planning process or the Statewide and Non-Metropolitan Planning process, as applicable. Specifically, provide evidence that the project is included in the approved Metropolitan Transportation Plan and Transportation

Improvement Program or Statewide Transportation Improvement Program, or provide a schedule demonstrating the project will complete the process in the foreseeable future;

- h. Documentation that the project has completed the NEPA process or a schedule demonstrating the project will complete the NEPA process in the foreseeable future.

4. Candidate Project Evaluation and Selection

FTA will evaluate the proposals to determine which proposed projects best meet the intent of Section 3005(b). FTA will work with the selected project sponsors to further define the steps in law required before a construction grant can be awarded under the program.

K. Jane Williams,
Acting Administrator.

[FR Doc. 2018-19860 Filed: 9/11/2018 8:45 am; Publication Date: 9/12/2018]